

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:

**THE FARMERS MUTUAL FIRE INSURANCE
ASSOCIATION OF COCKE COUNTY**

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No.: 04-074

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-22-101, *et seq.* and 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of The Farmers Mutual Fire Insurance Association of Cocke County (hereinafter also referred to as the "Company"), a county mutual fire insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2002 and updated as of the 31st day of December 2003, the examiner-in-charge filed with the Division, on the 23rd day of June, 2004, a verified, written report on examination, and a copy of that report has been sent to The Farmers Mutual Fire Insurance Association of Cocke County. (The Report on Examination of The Farmers Mutual Fire Insurance Association of Cocke County, is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to Tenn. Code Ann. § 56-22-132, said examination report regarding the affairs of The Farmers Mutual Fire Insurance Association of Cocke County, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 23rd day of June, 2004, is hereby **ADOPTED** as filed with the following **DIRECTIVES** to the Company:

RECEIVED

AUG 31 2004

Dept. Of Commerce & Insurance
Company Examinations

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-1-411(b)(1) by maintaining its books and records in such a manner as to allow the Commissioner and/or her deputies convenient and free access at its office to all books, records, securities, documents and any and all papers relating to the property, assets, business and affairs of such company.
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-2-109 by maintaining at all times current, written reinsurance agreements, with such agreements including all pertinent terms as well as the termination date of the agreement.

The adoption of this examination report shall not preclude the Department from imposing sanctions against The Farmers Mutual Fire Insurance Association of Cocke County for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

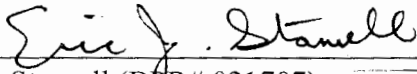
It is so **ORDERED**.

ENTERED this the 26th day of August, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



Eric J. Stansell (BPR# 021707)

Staff Attorney

Tennessee Department of Commerce and Insurance

500 James Robertson Parkway

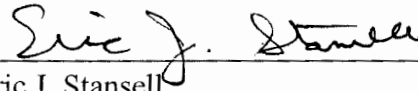
Davy Crockett Tower, Fifth Floor

Nashville, Tennessee 37243

(615) 741-2199

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to The Farmers Mutual Fire Insurance Association of Cocke County, 709 Yellow Springs Road, Cosby, Tennessee 37722, on this the 30th day of August, 2004.



Eric J. Stansell

Certifying Attorney